

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3282

February 19, 2010

SUMMARY OF BILL: Exempts certain active duty military service members, and certain members and reservists of the Tennessee National Guard, from the single article sales and use tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$449,200

Assumptions:

- According to the U.S. Department of Defense, the FY07-08 Performance Report, there were 1,401,757 individuals considered active duty military personnel from the United States and territories.
- The Department of Revenue (DOR) estimates that 1.9 percent of the individuals are from Tennessee (26,633).
- One active duty military service member per household; therefore, 26,633 households would qualify for the exemption.
- According to U.S. Census data, there were 2,408,031 households in Tennessee during 2008. Therefore, 1.11 percent of all Tennessee households will be eligible.
- According to DOR, state collections from the single article tax were \$40,468,000 in FY08-09.
- Flat growth of single article sales tax collections in subsequent years.
- The single article tax is a state tax for state purposes exclusively.
- The decrease to state revenue is estimated to be \$449,200 per year ($\$40,468,000 \times 1.11\% = \$449,195$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/rnc

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